

**MEMO# 2684**

April 12, 1991

# **INSTITUTE COMMENT LETTER ON THE AGENDA FOR THE ANNUAL CONFERENCE ON UNIFORMITY OF SECURITIES LAWS**

April 12, 1991 TO: INVESTMENT ADVISER MEMBERS NO. 14-91 INVESTMENT ADVISER  
ASSOCIATE MEMBERS NO. 15-91 RE: INSTITUTE COMMENT LETTER ON THE AGENDA FOR  
THE ANNUAL CONFERENCE ON UNIFORMITY OF SECURITIES LAWS

Every year the Securities and Exchange Commission and the North American Securities Administrators Association have a Conference on the Uniformity of Securities Laws. Prior to the Conference, the SEC and NASAA solicit comments from industry on the issues to be discussed at the Conference. In some years, the Conference is preceded by a hearing at which industry members have an opportunity to testify. This year, there will not be a hearing and the Institute submitted the attached letter which contains comments on the investment adviser issues to be discussed at the Conference. The Institute urged the establishment of a central registration depository system for investment adviser and investment adviser representatives. With regard to potential revisions to Form ADV, the Institute cautioned against any requirements concerning financial and disciplinary disclosure at the state level which is inconsistent with the requirements of Rule 206(4)-4 under the Investment Advisers Act of 1940. The Institute also suggested a means by which the SEC could enhance its ability to supervise investment advisers. The Institute supported enforcement of SEC Release No. IA- 1092 regarding the applicability of the Advisers Act to financial planners, pension consultants and other persons who provide investment advisory services as a component of other financial services, and indicated that no additional level of regulation is necessary with regard to financial planners. Nevertheless, in the event such legislation is passed or proposed in the states, the Institute recommended that any non-uniform legislation be prevented and that investment advisers to investment companies, institutional investors and wealthy individuals who are more sophisticated with respect to financial matters be specifically excluded from such additional regulation. Finally, the Institute noted the current problems associated with the Uniform Investment Adviser Law Examination - 1 - (Series 65) and stated that it will not support the use of the Series 65 until these problems are corrected. Also, the Institute objected to the growing trend among the states to require investment adviser personnel to pass broker-dealer examination requirements as a condition of licensing. We will keep you informed of developments. W. Richard Mason Assistant Counsel

Attachment

abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.